

Govt. to ask Steelmakers to invest 1% of Turnover in R&D - Steel Minister



Government will soon ask major steelmakers to invest at least 1% of their total turnover in R&D activities in the next two years so as to help India treble steel output to 300 million tonnes. It also wants steel companies to double the spend till 2020.

"We will issue directions to major steel players to invest more in Reserach & Development. They will be asked to increase the investment in R&D to at least 1% of the total turnover by 2015-16 and 2% by 2020," Steel Minister Beni Prasad Verma told PTI.

The government also plans to provide incentives to steelmakers for increasing investment in R&D, which is abysmally low at present ranging from 0.15% to 0.25%, he said.

"The roadmap also aims at tackling limiting factors like technological obsolescence and lack of timely modernisation, lack of inferior quality raw material and lack of automation," Verma said.

The move is based on Steel Ministry's roadmap to boost sector's growth, he added. The ministry has constituted a task force to prepare a blueprint for promoting R&D in the



sector in a bid to help India treble its production capacity to 300 MT from the present about 96 MT.

"The policy would also focus on development of alternative iron making technologies and adoption of technologies like Finex, Fastmet and ITmk3," Verma said.

The ministry had formed a 7-member task force headed by former Director, Indira Gandhi Centre for Atomic Research, Baldev Raj with members drawn from various public and private sector steel units, to come out with a blue print.

"India is poised to become the second

largest steel producer in the world and is projected to achieve a capacity of 300 MTPA by the middle of next decade. However, the research and development base for actual technology development is inadequate" the ministry had said earlier.

The members of the task force include former Managing Director, SAIL, Sanak Mishra, former Deputy MD, Tata Steel, T Mukherjee, CMD, MECON AK Tyagi, Chiefs R&D and Scientific Services, Tata Steel and JSW Steel Sanjay Chandra and K Maruti Ram and Director, Technical, SAIL SS Mohanty.

With regard to funding for the R&D Mission/Centre, it was decided that there may be a corpus with one-time contribution from government and industry, in addition to annual stream of income in the form of a charge per ton of steel production.

Last year, a high-level meeting chaired by Prime Minister Manmohan Singh had decided to give a push towards creating domestic manufacturing capabilities in advanced materials, alloys and composites and has announced to treble steel production capacity to 300 MT by 2025.